



The Competitive Carriers Association

Rural Cellular Association

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August 30, 2012

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation, *Universal Service Contribution Methodology*, WC Docket No. 06-122; *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Connect America Fund*, WC Docket No. 10-90; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch,

On August 29, 2012, Tim Donovan and the undersigned of RCA – The Competitive Carriers Association (“RCA”) and outside counsel Matthew Brill of Latham & Watkins LLP met with Nick Degani, Legal Advisor to Commissioner Pai, to discuss potential reforms to the universal service contribution methodology. We noted that the record before the Commission reflects a broad consensus in favor of taking measured steps to broaden the contribution base and to reduce uncertainty and eliminate competitive distortions. In particular, we noted that most parties support extending contribution obligations (or clarifying existing obligations) for enterprise services that include a telecommunications component and for so-called “one-way” VoIP services. We further observed that the record supports reducing the safe harbor interstate revenue allocation for wireless carriers and clarifying the contribution obligations of wholesale carriers. We explained that, in contrast, the record reflects significant divisions regarding proposals to assess contributions based on broadband Internet access services and some (but not all) forms of text messaging. We recommended that the Commission take immediate action to implement less controversial rule changes and clarifications and convene an industry advisory committee to make recommendations regarding long-term contribution reforms.¹

In addition to addressing the contribution methodology, we noted RCA’s recent proposal to reallocate Connect America Fund Phase I support unclaimed by price cap carriers to create

¹ Ex Parte Letter of RCA – The Competitive Carriers Association, WC Docket No. 06-122 and GN Docket No. 09-51 (filed Aug. 21, 2012).

comparable funding opportunities for wireless carriers.² We argued that the Commission likewise should reduce the planned \$1.8 billion annual budget for Phase II support. That \$1.8 billion budget was based on the assumption that price cap carriers would use available Phase I funding to extend the reach of their broadband networks. Because price cap carriers' decision to forego more than half of the available Phase I funding will result in smaller service footprints than the Commission anticipated, it should reduce the Phase II budget accordingly.

Sincerely,

/s/

Rebecca Murphy Thompson
RCA – The Competitive Carriers Association

cc: Nick Degani

² Ex Parte Letter of RCA – The Competitive Carriers Association, WC Docket Nos. 10-90, 07-135, 05-337, and 03-109; CC Docket Nos. 01-92 and 96-45; WT Docket No. 10-208; GN Docket No. 09-51 (filed Aug. 3, 2012).